

Employing Retirees

A Summary

This section provides information about the special rules that apply to retirees who return to work. This information applies to retirees returning to positions covered by the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS), the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF), the Washington State Patrol Retirement System (WSPRS), or the Judicial Retirement System (JRS).

Employer Responsibilities

Retirement Status Form

RCW 41.50.139 requires you to obtain *a written form* from all new employees indicating whether they have ever been retired from a Washington State retirement system. The information should be obtained each time an employee begins working for you. The "Retirement Status Form" included in Chapter 12, "Forms," is provided for you to use to obtain this information. After the employee has completed the form, it should be filed in the employee's permanent record.

Retiree Returning to Work Report

If you hire a retiree, you must report the employment on a "Retiree Returning to Work Report" (See Chapter 12). You must indicate the employment begin date and position status (eligible or ineligible) as defined in each applicable Washington State retirement system. TRS Plan 1 retirees are reported on the "TRS Plan 1 Retiree Returning to Work Report" and the position status coded as "contracted" or "on-call."

Note: Use "contracted" if the contract is for a specific position and number of hours. "On-call" is listed on a roster, included in the annual district resolution and is available for work in any teaching position. On the form under "System," indicate the retirement system for the position in which the retiree is working—not the system from which the employee is retired.

When the retiree ends employment, you must complete another "Retiree Returning to Work Report" form indicating the retiree's last day of

employment. Future dates cannot be accepted; send the completed form on or after the actual begin or end date of the retiree's employment.

Below is an example of how to complete the "Retiree Returning to Work Report" form when the retiree begins employment.

System	Employer Name	Prepared By	Date	Phone	Page
P	Modernity, City of	Dawn Smith	01/10/99	555-123-4567	1
Retiree Information		Employment Information			
		Begin Date		End Date	Position Status
SSN: 123 45 6789 Name: Doe, John		01	01	99	Eligible: <input checked="" type="checkbox"/> Ineligible: <input type="checkbox"/>

When the retiree quits working for you, complete another "Retiree Returning to Work Report" form indicating the last day the retiree worked for you. See the following example.

System	Employer Name	Prepared By	Date	Phone	Page
P	Modernity, City of	Dawn Smith	06/10/99	555-123-4567	1
Retiree Information		Employment Information			
		Begin Date		End Date	Position Status
SSN: 123 45 6789 Name: Doe, John				05 31 99	Eligible: <input type="checkbox"/> Ineligible: <input checked="" type="checkbox"/>

This example shows a TRS Plan 1 "Retiree Returning to Work Report" form indicating when the retiree begins employment.

System	Employer Name	Prepared By	Date	Phone	Page
TRS 1	Modernity School District	Dawn Smith	08/10/99	555-123-4567	1
Retiree Information		Employment Information			
		Begin Date		End Date	Position Status
SSN: 123 45 6789 Name: Doe, John		07	31	99	On-Call <input checked="" type="checkbox"/> Contracted <input type="checkbox"/>

When the retiree quits working for you, complete another TRS Plan 1 “Retiree Returning to Work Report” form indicating the last day the retiree worked for you. See the following example.

System	Employer Name	Prepared By	Date	Phone	Page
P	Modernity, City of	Dawn Smith	09/10/99	555-123-4567	1
Retiree Information		Employment Information			
		Begin Date		End Date	Position Status
SSN: 123 45 6789 Name: Doe, John				08 25 99	On-Call X Contracted

Mail the completed form to:

Employer Support Services
 Department of Retirement Systems
 P. O. Box 48380
 Olympia, WA 98504-8380

If a retiree works in excess of the applicable post retirement restrictions and you failed to report the employment of the retiree, you will be liable for any pension overpayments made to the retiree. In addition, if you report wrong information that results in a retiree receiving a pension benefit that violates the retirement rules, you are liable for any resulting overpayment.

Note: Refer to DRS Notice 97-002 or 99-006 for more information about completing the “Retiree Returning to Work Report.”

A pamphlet is available from DRS entitled *Thinking about Working after Retirement?* which provides information to members about the effect of reemployment on retirement benefits. For copies of this pamphlet, please contact DRS Office Services.

Service and Disability Retirees

Most individuals retire on a service retirement. The individual's retirement benefit is based upon the number of years of eligible service in a retirement system. Some individuals retire on a disability retirement. An individual who becomes disabled as a result of an injury on the job may be eligible to retire on a duty disability. An individual who is disabled as a result of an illness or injury off the job may be eligible to retire on a non-duty disability.

When the term retiree is used on the following pages, it applies to both service and disability retirees unless otherwise noted. Disability retirees should be aware that they might lose their right to disability benefits by returning to employment. A disability retiree can be asked to undergo a medical examination at any time. If the medical examination shows the individual has recovered from the disability, the disability benefit may stop.

Disability retirees should contact the retirement system from which they retired for information about how returning to employment may affect their retirement benefit.

Retirees in PERS-Covered Positions

The following is a summary of the special provisions to consider when hiring a retiree into a PERS position. For assistance in determining a retiree's eligibility for PERS membership, contact PERS Retirement Services.

- Any PERS member who terminates employment and applies for retirement but returns to work for a PERS-covered employer before his or her effective retirement date, will have his or her retirement nullified and the member must resume paying contributions.
- Any PERS or TRS retiree who returns to work for a PERS employer before being separated from employment for a full calendar month following his or her retirement date will have his or her retirement benefit reduced 5.5 percent for every eight hours worked to a maximum of 160 hours.

- Any retiree hired into an ineligible PERS position is not permitted to be a member of PERS and should not be reported on the monthly transmittal. Such employment does not affect the retiree's pension.
- Any PERS retiree hired into an eligible PERS position may work for five months or less in a calendar year without impacting his or her retirement benefit.

Note: If a retiree is hired into an eligible position and earns any compensation during a month, that month is counted as a month of employment in the calendar year. Any five months of employment in eligible positions in a calendar year are counted, regardless of whether or not the months of employment are consecutive or employment is for one or more employers.

- Any PERS retiree hired into an eligible PERS position will have his or her benefit suspended on the first day of the sixth month in a calendar year in which work was performed. Benefits will remain suspended until the retiree terminates PERS employment or until the end of the calendar year, whichever comes first.

Note: Any PERS retiree has the option to reenter membership any time he or she is employed in an eligible PERS position.

- Any PERS retiree elected or appointed to office has the option of remaining retired or returning to active member status while serving in the elected or appointed office.
- A retiree from another system hired into an eligible PERS position may be required to, prohibited from, or have the option to join PERS under certain circumstances. Please contact PERS Retirement Services for assistance in determining the retiree's eligibility for membership in such situations.
- A TRS Plan 1 retiree can work as an on-call substitute teacher or a substitute principal in a district that has signed a resolution to allow retirees to work 315 compensated hours in addition to the standard 525 compensated hours. Administrator positions, other than principals, may work 105 hours in addition to the standard 525 compensated hours under the authority of a resolution filed by their district.

Retirees in TRS-Covered Positions

The following is a summary of the special provisions to consider when hiring a retiree into a TRS position. For assistance in determining a retiree's eligibility for TRS membership, contact TRS Retirement Services.

- Any TRS member who terminates employment but returns to work for a TRS employer before his or her effective retirement date will have his or her retirement nullified. The member must resume paying contributions.
- Any TRS or PERS retiree who returns to work for a TRS employer before being separated from employment for a full calendar month following his or her retirement date, will have his or her pension reduced 5.5 percent for every seven hours worked, to a maximum of 140 hours.
- A TRS Plan 1 retiree who returns to work for a public employer that is not a public educational institution after a full calendar month has passed following his or her retirement date will continue to receive his or her retirement benefit.
- A TRS retiree returning to work in a TRS position in a public educational institution is not required to reenter TRS membership. If the retiree meets eligibility requirements, he or she can elect to return to membership by applying directly to TRS Retirement Services. If a retiree reestablishes membership, begin reporting the individual on the monthly transmittal. The retiree's pension will stop when membership begins.
- A TRS Plan 1 retiree may work for up to 525 compensated hours in a fiscal year (July—June) in any position for a public educational institution without affecting his or her benefit. You must notify TRS Retirement Services any time a retiree works for more than 525 compensated hours in a fiscal year. The retiree's pension will be suspended if employment exceeds the 525 compensated hours limit.